

YNGVE, YNGVE & REIERSGORD
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MINNEAPOLIS, MINN. 55416

February 23, 1972

ANTON YNGVE
ESTHER YNGVE (1894-1966)
ALBERT B. YNGVE
THOMAS E. REIERSGORD
MARSHALL G. ANDERSON

CONFIDENTIAL



Mr. Thomas J. Ryan
Vice President
Reilly Tar & Chemical Corporation
11 South Meridian Street
Indianapolis, Indiana 46204

AIR MAIL

RE: Our File 10-251

Dear Mr. Ryan:

Herb Finch and I met today, February 23, 1972, with Mr. Chris Churches and Mr. Wayne Popham at lunch. They presented an offer in response or as a counter-offer to the earlier offer which was made by the Company. I am enclosing a photo-copy of their offer.

There is a possibility of some confusion over inconsistency in the closing date which I am sure can be easily resolved. Otherwise, outside of the purchase price in Paragraph "2", the only issue appears to involve Paragraph "7" which refers to removal of buildings and equipment.

Mr. Churches informed us that he and the City staff had not gone into the details of the schedules attached to the Company's offer about what property would be removed and what property would be allowed to remain. Apparently, they had not looked into this issue because they still intended to require the Company to make a complete removal.

Mr. Finch and I explained the wasteful aspects of such removal, and Mr. Churches agreed that he would begin review of the exhibits which were attached to the earlier Company offer; and that representatives of the City would then meet with Mr. Finch on the plant property to review the items which might be in dispute.

I advised them at the luncheon today, that I was sure the Company's reaction to the offer would depend on the degree of flexibility in respect to Paragraph "7".

After the luncheon, Herb Finch and I discussed the matter and we came to the conclusion that at this time Herb should obtain a bid for the removal work which we had already indicated that we would take care of in our earlier offer. It also would be desirable to obtain additional bids on alternative items, so that negotiation on those items can be done with the cost factor in mind.

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Our thinking was that the total obligation for removal of certain property would be passed on to the removal contractor, who would be in effect, for a price, agreeing to remove whatever the Company had in its contract agreed to remove. The idea of getting a bid now was to obtain a starting point. If we have most of the terms agreed to with a removal contractor ahead of time, then any adjustments because of the final negotiations with the City, could probably be worked out.

Because of the uncertainty of the removal costs, I appreciate that it is difficult to evaluate the offer, however, you will note that the four (4) acres are excluded and the price is increased above the figures which the City has previously mentioned. They also made quite a point of telling us that they had abandoned their idea of requiring the Company to agree to a guarantee relative to soil conditions. They indicated that they would buy the property "as is" except for the removal of the property as they stated in Paragraph "7". And, as I have already mentioned, they did then indicate their willingness to negotiate on the items of Paragraph "7".

I assume that we will be having further conversations about this offer after Mr. Finch has obtained some cost information on clean-up costs.

Very truly yours,

YNGVE, YNGVE & REIERSGORD

Thomas E. Reiersgord

TER:k
Enclosure
CC: Mr. Herb Finch

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